[Translation]

Have you asked second question ?

SHRI MANIKRAO HODLYÀ GAVIT : Mr. Speaker Sir, I had only asked that what decision has been taken in this regard.

My second supplementary is that machinery of textile mills is outdated now, with the result production of cloth is now on a declining trend and whether the Govt. propose to talk coments decision to raving these sick mills if not, the reasons therefor.

[English]

SHRI R.L. JALAPPA : Though it does not pertain to this question, I am prepared to answer it. We have, now, proposed a Technology Modernisation Fund. That is going to come into existence. In the Seventh Plan there was a fund to the tune of Rs. 750 crore for modernisation. It was not there in the Eighth Plan. Now, we are proposing this technology Upgradation Fund.

[Translation]

SHRI BANWARI LAL PUROHIT : Mr. Speaker Sir, the government in its abruptly taken decision has decided to reduce the customs duty on the machinery imported now a days and during these 25 years there has been a lot of development in the textile machinery manufacturing industry of our country. But their sudden drastic cut has ruined our all imported machinery and textile machinery manufacturing Industry. Whether Government has taken a note of this that the way these people are making a drastice cut in the customs duty on the dictates of a particular capitalist lobby that has ruined our whole industry you must take care of the indigenous industries too.

MR. SPEAKER : Whether you have asked your question ?

[English]

SHRI R.L. JALAPPA : Sir, we are not importing machinery at the cost of our indigenous machinery. We are encouraging import of machinery only in those areas where we do not have proper machinery to face the coming onslaught of world competition. Now, I will give you some figures. As regards shuttleless looms Korea has installed 73,584, China has 56,117, Taiwan has 32,812, Indonesia has 25,716, and Thailand has 10,769 between 1985 and 1994. These are the countries which are competing with us in garment industry and also in textile industry in the world market. In India we have only 7,388 such looms. Should we not encourage the import of these machinery?

Regarding Rapier/Projectile/Airjet/Waterjet looms, Korea has installed 12,910 China has 6,480, Taiwan has 1,507 Indonesia has 3,592, Thailand has 642 and India has only 746. We have recommended to the Ministry of Finance that in order to face the stiff competition in the coming years we should upgrade our technology in the area of weaving, processing and also garment industry.

So, we have recommended to the Finance Ministry to reduce the import duty. We have also recommended to see that at least for one or two years these machineries which are not produced in our country are imported without any import duty.

Disinvestment Commission

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*587. DR. MURLI MANOHAR JOSHI :
SHRI P.R. DASMUNSI :

Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government propose to empower the Disinvestment Commission to take final decisions with regard to disinvestment in Public Sector Undertakings;

(b) if so, the details thereof alongwith important features of policy of disinvestment;

(c) if not, the reasons therefor;

(d) the recommendations made by the Disinvestment Commission in its first report;

(e) whether his Ministry has referred more PSUs to the Commission; and

(f) if so, the details thereof ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (f) A Statement is laid on the Table of the House.

Statement

(a) to (c) The Disinvestment Commission has been conceived of and is an Advisory Body. No change in its role is considered necessary.

(d) to (f) The Disinvestment Commission in its first report has, inter-alia suggested the strategies for disinvestment in three PSUs, namely, Gas Authority of India, India Tourism Development Corporation and Modern Food Industries Limited. Ten more companies as per Annexure have been referred to the Disinvestment Commission for advice.

Annexure

1. Hindustan Vegetable Oils Corporation Ltd.

2. NEPA Ltd.
3. Electronic Trade & Technology Development Corporation Ltd.
4. Hindustan Prefab Ltd.
5. Ranchi Ashok Bihar Hotel Corporation Ltd.
6. Pyrites, Phosphates & Chemicals Ltd.
7. Central Electronics Ltd.
8. Engineering Projects (India) Ltd.
9. Utkal Ashok Hotel Corporation Ltd.
10. Rehabilitation Industries Corporation.

DR. MURLI MANOHAR JOSHI : Sir, I want to know whether the function of Disinvestment Commission is to disinvest or just to advise. The name Disinvestment Commission suggests that it should actually disinvest. But he is not allowing it to disinvest. He is just taking its advice. The advice may or may not be acceptable. As he himself says, he is not going to accept its recommendations.

May, I, therefore, ask him whether he favours that this Disinvestment Commission should actually disinvest and that the power and machinery to disinvest should lie with it. I would also like to know whether the Government has any idea to accept the recommendations of this Disinvestment Commission. Firstly, the Commission has recommended that to the units in the category of 'strong performance', autonomy be granted with respect to investment decisions in case the investment is sought from financial institutions or the resources are generated internally. This is one of the recommendations of the Disinvestment Commission. I would like to know whether the Minister is going to accept it. Secondly, the Commission also recommended that the public sector units be restructured before disinvestment. It also recommended that in order to enforce accountability in the public sector units, the MoU system should be revamped in order to measure the performance of PSUs more qualitatively. These are some of the most important recommendations of the Disinvestment Commission.

Will the Minister like to inform the House whether the Government wants to actually use Disinvestment Commission for the purpose of disinvestment of wants to keep it only as an advisory body without any power and without any role to play in actual disinvestment and whether these three recommendations, which the Disinvestment Commission has made, are acceptable to the Government ?

SHRI MURASOLI MARAN : The hon. Member has asked a series of questions. The first question is whether the Commission is going to be an advisory body or not. I have answered in my main reply itself that it is an advisory body. It has been created to be an advisory body. It was conceived as an advisory body because we have stated like that in the Common Minimum Programme. In the BJP's programme also, there was a mention of Disinvestment Commission.

DR. MURLI MANOHAR JOSHI : In our programme, it is not as an advisory body.

SHRI MURASOLI MARAN : Their Commission is different from our Commission. This Commission is an advisory body. Its job is to give objective and wise advice to the Government. Not only that, we have also given terms of reference and eleven duties have been prescribed for the Commission. I do not want to read any one of them. But they can supervise the overall sale process and take decisions on instrument, pricing, timing etc., as considered appropriate. They can also select the Financial Advisor for the specified PSUs to facilitate disinvestment process. They can also monitor the progress of disinvestment process. So, they have been given wide powers to monitor, supervise and advice. It is for the Cabinet to accept the recommendations or not.

DR. MURLI MANOHAR JOSHI : I have specifically asked about the recommendations. What about those recommendations ?

SHRI NIRMAL KANTI CHATTERJEE : It was meant for refugees' rehabilitation by the Government and that is being offered to the private sector. It is very surprising. It is the responsibility of the Government to rehabilitate refugees.

MR. SPEAKER : Dr. Murli Manohar Joshi, you ask the second supplementary.

DR. MURLI MANOHAR JOSHI : My first question has not yet been answered.

MR. SPEAKER : Then, there is no time for the second answer.

DR. MURLI MANOHAR JOSHI : He has not answered the first question.

SHRI MURASOLI MARAN : The hon. Member has asked about the recommendations of the Disinvestment Commission. The hon. Finance Minister is here. He had specifically stated in his Budget Speech that he intend to proceed with disinvestment in these companies along the lines suggested by the Commission. This is how, we have accepted their recommendation regarding disinvestment.

DR. MURLI MANOHAR JOSHI : I want to know whether they are going to give complete autonomy to those PSUs which are categorised under 'performing category'. My question is very specific.

12.00 hrs.

SHRI MURASOLI MARAN : Sir, my answer is also going to be specific in the sense that we have identified nine companies as *'Navaratnas'*. We are considering to give full autonomy to them so that they can compete not only with the private sector in India, but also with the contemporary giants in the outside world.

WRITTEN ANSWER TO QUESTIONS

[English]

Investment by NRI

*585. DR. Y.S. RAJA SEKHARA REDDY : Will the Minister of INDUSTRY be pleased to state :

(a) the total investment expected to be made in 1997-98 by the Non-Resident Indians in the country;

(b) the incentives given to NRIs for investment in the country;

(c) whether the incentives/concessions given to NRIs in the past produced good result; and

(d) if so, the details thereof ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) The figures for Non-Resident Indians (NRIs) investments are maintained on a calendar year basis. The inflow of investments from NRIs during 1996 was Rs. 2062.0 crores. Investments by NRIs during 1997 is likely to increase significantly. The actual investments would, however, depend on the response of NRIs to the emerging investment opportunities.

(b) to (d) The policy and facilities for foreign direct investment are fully applicable to Non-Resident Indians. In addition, Government have extended some concessions specially for NRIs/OCBs (Overseas Corporate Bodies, Predominantly owned by NRIs). These include : (i) while no foreign investment is permitted in the real estate sector, NRIs/OCBs are permitted to invest in housing and real estate sector even upto 100%; (ii) NRI/OCB investment in the airlines sector is permitted upto 100%, while foreign investment is limited upto only 40%; (iii) NRIs/OCBs are permitted to invest upto 40% in the banking sector whereas foreign equity is permitted only upto 20% (iv) while foreign equity and OCB equity is limited upto 24% in the case of SSI units, NRI individuals can invest beyond 24% in such units.

As a result of these measures, the investment from NRIs/OCBs has increased from Rs. 160.2 crores in 1991 to Rs. 2062.0 crores in 1996.

Decline in Industrial Growth

*586. SHRI SUBRAHMANYAM NELAVALA :
SHRI SANAT KUMAR MANDAL :

Will the Minister of INDUSTRY be pleased to state :

(a) whether the rate of industrial growth has declined during April to December, 1996 as compared to corresponding period during the previous year;

(b) if so, the details thereof including consumer goods and core sectors;

(c) the main reasons for the decline; and

(d) the steps taken by Government to increase the growth rate ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b) The overall industrial growth in April-December, 1996 was 8.3% compared to 11.4% in the corresponding period last year. The sectoral growth as per the use based classification of industries during (April-December) 1995-96 and 1996-97 was as follows :-

	1995-96	1996-97
Basic Goods	9.2%	7.0%
Capital Goods	17.9%	11.8%
Intermediate	8.1%	9.6%
Consumer Goods	12.6%	6.2%

(c) and (d) The main reasons for decline in the production has been under performance in crude, electricity and consumer durable goods sector. Sector specific strategies have already been initiated to remove constraints in under performing sectors. The credit policy announced recently by Reserve Bank of India is also expected to provide further impetus to industrial growth. Government has also proposed initiatives in the Union Budget 1997-98 for accelerated industrial growth. Domestic and foreign investment is encouraged in industry and infrastructure sectors.